



## EDITORIAL

As implied by the name of our customer newsletter, we would like to give you an insight into what goes on behind the scenes in our company. This also includes our reorganised supply chain management – a department that usually works in the background and appears to come into action only when there is pressure to meet tight deadlines. In actual fact, a professional supply chain management is a service of central importance which first and foremost allows us to create real added value for you: just-in-time deliveries, fast and reliable information, and top-class support. Not to be forgotten, and of increasing importance, is the supply risk management that starts with our suppliers and ends with you as our end customers. In our editorial you will find out how we accomplish this.

A professional and comprehensive service from A to Z is without doubt definitely one of our corporate values. We repeatedly receive praise from our clients for our services in the development department. This is very important to us because this is where we support you, working together to find intelligent solutions, and we can spare you a great deal of trouble and expense. This is what you can expect from us. In this issue we will show you our present approach to the work and how we envisage the future.

In addition to this, we would like to describe a special project for a customer. By using the practical example of a collaboration with Hella, we explain to you the many challenges and the concrete benefits of a good and close partnership.

Last but not least: Behind all the services there are the employees. They take centre stage for us. Therefore in this issue we are introducing our supply chain management team to you in person.

I wish you a very enjoyable read.

*Häny*  
With kind regards,  
Eduard Häny, CEO

## SCM – more than just a buzzword

### Supply Chain Management at Oskar Rüegg AG

The world has become a more networked and fast-moving place. In this environment, individual processes such as procurement, order processing, production planning system (PPS) and logistics have come up against their limits. We felt it would be difficult to improve things, because achieving the required flexibility was increasingly tied to an immense outlay and a great upheaval. Communication barriers were the recurring topics of discussion as the factors impeding a smooth operation. What was to be done on our side?

These symptoms have made it clear to us at Oskar Rüegg AG that we need to see how essential an integrated supply chain management is, and introduce it within the firm. We have to see our activity as part of a chain stretching from the supplier to the customers of our customers, in order to integrate ourselves as a whole within this chain.

Of course, to get SCM up and running we needed a bit more than just a few organisational steps. In planning the operation we have completely revised a number of processes, retained those that have been well-proven, and also incorporated some new ideas.

Initially there was a certain scepticism on the part of the staff, after all they had to fit their well-proven processes into a new organisational structure and collaborate more closely with other departments. However, it was soon found that these misgivings were unfounded. Now the barriers have fallen away. One team – one goal. A cooperative effort that is no longer cumbersome but fast and straightforward. Then the rest is really just routine.

Our SCM includes the extensive planning and control of all the participants throughout the in-house supply chain.

#### At Oskar Rüegg AG it covers the following areas:

- Relations with the customers, the order processing
- Relations with the suppliers, the procurement
- The production planning and control
- The warehousing and dispatch
- The packaging management
- The waste removal

The order processing now ensures that we have a better understanding of the processes and procedures of our customers. Today by using intelligent IT solutions that are integrated within our system we can quickly respond to our customers' requirements, and to new findings in the supply chain, and to any changes, and implement them in our company. And now information flows quickly back and forth between the individual disciplines in the SCM. Thus the exchange of information and the rapid relaying of messages has resulted in a smooth-running notification system. This is a useful adjunct to our very highly developed production planning system, which is already slightly ahead of state of the art. In the field of logistics – in distribution as well as in procurement – we were able to achieve a further competitive advantage with our partner Interfracht Speditionen AG. Working with Interfracht we are connected to the biggest logistics and distribution network in Europe. The CargoLine network allows us to significantly reduce the shipping times.

We are able to choose the most cost-effective form of shipping in each case from among the various product variants. And of course we are now able to report exactly where the goods are at any particular time thanks to "Track & Trace". We will shortly be setting up an interface with Interfracht Speditionen AG that enables us to send out, and receive, all the needed data directly from our ERP system.

This allows us to further optimise our delivery times. Even now we are working very intensively on the risk management of our supply chain. We consider this to be a necessary requirement nowadays for an effective SCM. Only in this way can we offer you the security of procurement that you expect of us.

Regarding this, we are of course always glad to come and visit you again to discuss with you measures that strike a balance between acceptable risk and cost-optimisation.

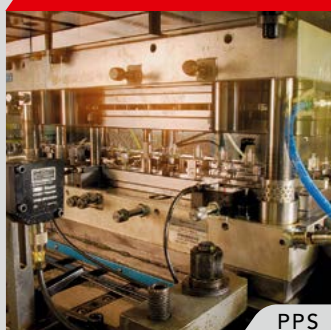
Alexandra Deravis, Head of SCM, Oskar Rüegg AG

#### RAW MATERIALS



#### ORDER PROCESSING –PROCUREMENT

#### PRODUCTION



#### PPS

#### PRODUCT



#### STORAGE / TRANSPORT



#### LOGISTICS



DFM  
(Design for Manufacturability)  
**CONSTRUCTION  
PROTOTYPE**

**TOOL-  
MAKING**



# Supplier-integration – we think it through!

For a long time now one of the main tasks of our production engineers has been to design components in the most cost-effective way. The increasing trend now is, right from the initial design stage, not only to develop the primary function of a component but to keep a clear view of the expected development costs, component costs and the corresponding investment amount. Thus besides the product engineering as such, the emphasis is on integrating component development within the manufacturing engineering tasks.

With this in mind, Oskar Rüegg AG is putting a greater emphasis on getting our experts involved as early as the product development stage. Our aim is the long-term collaboration with our customers to work together to develop solutions that not only meet specifications, but at the same time make full use of the potential to reduce costs by the choice of design. Based on this principle, the potential savings that can be achieved by DFM-oriented component design (Design for Manufacturability) can be secured early on, before the assemblies based on the design are frozen, and modifications become costly, and deadlines are threatened. This is done not only theoretically, but in the manufacturing of prototypes and the supply of series production parts that has been agreed well in advance. Here the tool construction and manufacturing blend together with the customer's requirements and the optimal series production. Support is provided for the customer project throughout the whole product life cycle from engineering to the component manufacture or module assembly, right through to the deactivation of the tooling. An experienced project leader is there to provide support at the side of the customer.

The potential benefits emerge from the component design, for example relative to the number of forming or trimming operations required, the production facilities needed, the choice of materials, the optimisation of the engineered scrap, the nesting of parts etc. The idea is widely known, for example in the automotive industry, and has become standard in supplier management at various degrees of integration. For other sectors there are even greater potential benefits by the integration of the know-how of the suppliers within the company's own product development process.

The commercial collaboration between Oskar Rüegg AG and our clients always follows the principles of partnership. Thus ensuring minimum friction in working together and a stable and resilient cooperation. Here the order takes place already during the design phase of the component, with well-defined milestones up until series production. Indeed, even after the start of series production our project management ensures the smooth coordination through to the end of the product life-cycle.

## Integrating the Oskar-Rüegg engineering experts within the component design

Our customers are happy to approach us with complex tasks related to the cost-optimised design of components. With our experienced engineers and toolmakers, again and again we find possible ways to optimise the component design, the selection of materials, the post-processing, or the shipping of parts, so as to ensure the lowest overall costs for the entire added-value-chain.

## Prototyping

During product development and component optimisation, Our prototype experts work together with the customer's engineering department on the physical implementation of solutions found. This to verify the feasibility of production and if necessary to bring any further findings into the product design and the tool-making.

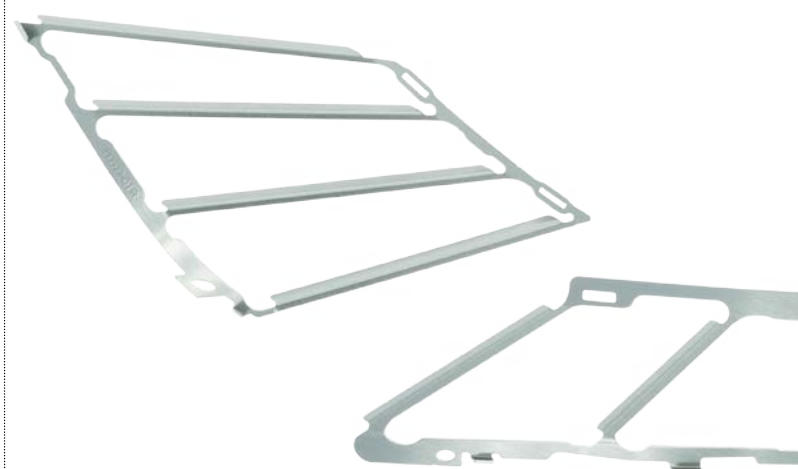
## Tool design and construction

We work on modern machines with full use of 3D CAM data management, and a mainly paperless assembly of the tools using 3D viewers on every assembly work-place. Often our tools are highly complex because of our focus on difficult to very difficult parts for customers – with very high demands on the dimensional accuracy of the individual parts of the tool. For example, to achieve the requirements relating to the height of the burr when stamping very thin materials, die clearances of down to 0.005mm are needed, which we reliably achieve with our facilities. The result is that we achieve a level of quality far above average even for the first off-tool sample, so that we often achieve customers first sample quality release immediately. Tightly scheduled and cost-intensive quality loops" can be avoided. External benchmarks also confirm that our adherence to schedules is extraordinarily good.

## Cost-optimised manufacturing on modern machinery in Switzerland, module assembly in Bulgaria

On our modern machinery in Jona (Switzerland) we stamp and assemble complex precision parts most efficiently and with a high degree of automation, usually in large quantities, in sheet thicknesses starting from 0.1 mm and steel grades of yield strengths of up to 2200 N/mm<sup>2</sup>, including stainless steels and all types of non-ferrous metal, according to the customers' orders.

Oskar Rüegg is also the best partner to choose when it comes to the construction of component assemblies,



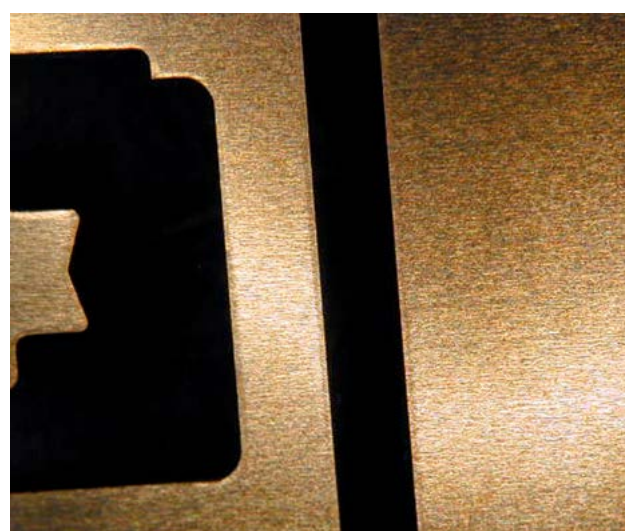
"Understanding how a **SU** collabora

because we are experts in the appropriate assembly methods in the field of post-processing of stamped/ folded parts. The top priority here is always process reliability with an absolutely consistent quality of assembly. When choosing the type of construction, besides process reliability the primary focus is on the costs throughout the whole value-creation chain. To design the value flow in the best possible way, Oskar Rüegg AG draws on a portfolio of various methods with varying degrees of automation that are applied in-house. Our site in Bulgaria provides further options for reducing costs and optimising the value flow for your component assembly.

## We create win-win situations

This approach results in win-win situations. For our customers, this means optimum costs, with quality right from the start, and with an uncompromising adherence to time schedules. For Oskar Rüegg AG, the results are stable and projectable manufacturing processes, the lowest complaint rates, and lean structures. In the end everyone benefits. With this in mind we look forward to working with you to solve your requirements, so that your project, too, finds its "perfected faster" solution.

Ingo Klein, CTO Oskar Rüegg AG



Burr-free cut by perfect die clearance.





# You should expect more from development cooperation than a technical advisory service

Many cooperative development ventures concentrate purely on technical matters that are started too late and so prevent a lot of leeway when it comes to finding intelligent solutions. If a solution is then found, it will be implemented as quickly as possible. Without networked planning and a close cooperation as a partnership, this inevitably leads to difficulties and a process of "trial and error".



## Successful development works is what decides the game"

When a full-LED headlamp is being developed in the premium segment, the demands are indeed high. Naturally, we were proud when Hella KGaA Hueck & Co. chose us for the joint effort to develop the front headlamp of the Audi A8. The fact that this joint effort went on to become an exemplary project was thanks to all the participants who always acted with foresight.

### The crucial point is to understand just how a successful cooperation works

Oskar Rüeegg AG was taken on board at a very early stage. The design requirements by Audi were on the table. The Hella technology defined the technical requirements. The first rough drafts were there – a project in the start phase. Naturally, it required great trust to bring in third parties at this stage of the development process. Much of it is still confidential. But the brilliant resulting solution was the reward.

### The requirements were discussed in detail in workshop sessions:

- The visible portion had to match the appearance of the Audi A8 in the design of its parts.
- The surface structure had to look refined and it was imperative there were no defects.
- The weight should be kept as low as possible.
- The part should be easy to assemble.
- The part must be completely grease-free and swarf-free.
- It has to pass the salt-spray tests and vibration tests.
- The target price must be adhered to.

### Added to this there are several points on our side:

- The material must be obtainable in the relatively small quantities needed.
- It must be possible to manufacture the part by a reliable process.

These candid, open discussions allow one to find excellent solutions. The material, brushed aluminium, was considered to be the best option from the design standpoint. Regarding manufacturability, however, this raised a number of questions. For example, the prototypes had to demonstrate that all the customer's requirements could be met. The result was a clear answer to the question "How?", resolved effectively for the customer.

### No unwelcome surprises at SOP (Start of Production)

During the production of the prototype, the tool design was checked and optimised in close collaboration with the toolmakers. Here, extreme care was taken to ensure that no parts were developed that could never actually be manufactured in series production. For the demanding cover frames grids 1 and 2, several design cycles were necessary, because the final form could only be worked out by empirical methods.

### Once the form has been worked out, one can and must make a start – for the SOP schedule is really tight!

For this, all the "homework" must be done first, including the choice of packaging. Because it would really be a disaster if the packaging was only considered after the first complaint came in due to a scratched surface and the customer would then have to face additional expense on top of the inconvenience. So our colleagues in Supply Chain Management and the Project Management team were anything but idle during the prototype phase.

The complete supply chain was planned and checked in detail. This started with the supplier contracts for raw materials, the design and procurement of suitable pack-



aging for the shipping, the packaging management, the cleaning of the parts, through to planning the delivery to the assembly line at Hella.

Besides this, the whole run-up procedure was planned by project management and the corresponding resources were reserved in good time.

### At Oskar Rüeegg AG, corporate values are non-negotiable

We keep our promises. For us, the essential requirement is that our customers should not have to worry about whether the initial sample they ordered arrives on time. We are well aware that endless adjustment loops during the initial sampling would cost time and hence money. But as the customer, you should be able to expect your supplier to provide you with the right first sample immediately. The SOP will show whether everything really is done properly. Thus thanks to the careful planning, Hella can be sure that it will always receive goods of the right quality in series production as well.

We will be happy to discuss intelligent and cost-effective solutions with you. There should be no question of lapsed deadlines or poor quality.

Markus Ebnöther, Key Account Manager Oskar Rüeegg AG







## Our SCM specialists introduce themselves

When it comes to Supply Chain Management you can count on the skills of Oskar Rüegg AG. A complete team featuring proven specialists in the field looks after your individual project throughout the whole product life-cycle. Reason enough to have a first meeting with your own personal contact.



**ALEXANDRA DERAVIS**  
Head of Supply Chain Management

**Your experience in the field of SCM?**

13 years experience in purchasing, distribution, export and in order processing

**How long have you been working at Oskar Rüegg?**

1 year

**What does Oskar Rüegg means for me:**

almost a second home with wonderful colleagues at work

**My special skills:**

to stand by my co-workers to help with words and deeds

**Freetime:**

Aviation, model-making, gardening, travel

**For me, SCM means:**

the cornerstone and pivot for all the customer's wishes



**ANDREA SWOBODA**  
Procurement specialist

**Your experience in the field of SCM?**

12 years experience in procurement

**How long have you been working at Oskar Rüegg?**

4 years

**What does Oskar Rüegg means for me:**

many new experiences gained, in particular the procurement of raw materials was something new for me at first

**My special skills:**

Negotiation of delivery schedules. I am also a good communicator

**Freetime:**

Traveling, painting

**For me, SCM means:**

recognising and understanding the interconnections



**FABIENNE WEICHSELBRAUN**  
Procurement specialist

**Your experience in the field of SCM?**

2 years experience in various areas of the supply chain during my training

**How long have you been working at Oskar Rüegg?**

3 years

**What does Oskar Rüegg means for me:**

an employer who has made it possible for me to have a good training and who gives me the opportunity to develop further

**My special skills:**

ambitious, motivated, dedicated – with my other strengths in the field of communicating and organising

**Freetime:**

Traveling

**For me, SCM means:**

optimum interconnection and matching up from the customer's order through to the delivery



**ELIANE JUD**  
Export Coordinator

**Your experience in the field of SCM?**

Even at the time of my training I was working in a company involved in export. I completed my training as a business administrator in 2008, and until now I have been working in the exports field. Since 2012, I have been studying at the University of Applied Sciences where I am doing the Bachelor of Business Administration (with major in Supply Chain Management)

**How long have you been working at Oskar Rüegg?**

I have been working for Oskar Rüegg AG since 11.11.2013

**My first impression of Oskar Rüegg AG:**

Customer- and service-oriented enterprise with motivated employees

**My special skills:**

I stay concentrated and calm even on hectic days. I am an open-hearted, positive-natured personality

**Freetime:**

Cooking, keyboard, sport

**For me, SCM means:**

enhanced customer satisfaction by aligning the value-creation chain to the requirements of the customer



**ROLF ZYSSET**  
Head of Production Planning & Control System

**Your experience in the field of SCM?**

1 year head of PPC and 8 years head of forming

**How long have you been working at Oskar Rüegg?**

9 years

**My special skills:**

Teamwork

**Freetime:**

Sports

**For me, SCM means:**

working on an interdisciplinary level



**NICOLE PFISTER**  
Order-processing specialist

**Your experience in the field of SCM?**

4 years, including 1 year PPC and 3 years in order processing

**How long have you been working at Oskar Rüegg?**

3 years

**What does Oskar Rüegg means for me:**

to perform my professional work in a pleasant environment

**My special skills:**

staying calm in hectic times

**Freetime:**

Skiing, youth hostels, traveling

**For me, SCM means:**

SCM means for me a closer cooperation with the various departments



**JASMIN HELBLING**  
Order-processing specialist

**Your experience in the field of SCM?**

4 years (1 year dispatch, 3 years order processing)

**How long have you been working at Oskar Rüegg?**

4 years

**What does Oskar Rüegg means for me:**

my start in professional life

**My special skills:**

managing unusual express cases

**Freetime:**

Cycling, jogging, skiing/snowboarding

**For me, SCM means:**

SCM allows me to gain an overview of the whole supply chain. It enables one to realise customers' wishes that much better and faster

## COMPANY DETAILS

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